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Follow-up to the World Summit for Social Development and the twenty-fourth special session of the General Assembly: priority theme: Addressing inequalities and challenges to social inclusion through fiscal, wage and social protection policies

Statement submitted by International Council on Social Welfare, a non-governmental organization in consultative status with the Economic and Social Council*

The Secretary-General has received the following statement, which is being circulated in accordance with paragraphs 36 and 37 of Economic and Social Council resolution 1996/31.

* The present statement is issued without formal editing.

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Statement

The topic identified by the Commission for Social development as a priority theme for its 57th session "Addressing inequalities and challenges to social inclusion through fiscal, wage and social protection polices" is most important in the context of collective and targeted efforts to eradicate poverty, reduce inequalities and promote social inclusion. Being a crucial part of the international discourse on implementing the 2030 Agenda for Sustainable Development, the discussion initiated by the Commission could improve setting priorities for finding optimal solutions in addressing the specific needs of people who are left behind in the development process.

The International Council on Social Welfare (ICSW) — one of the oldest international NGOs in the world, which has celebrated its 90th anniversary recently — is keen to support the efforts of the Commission. The Global Agenda for Social Work and Social Development being implemented by ICSW along with its partner organizations focuses on inequality as one of the priority themes for concerted action among its members. We believe that a broader perspective on social policies suggested by the Commission, as well as consolidation of the discussion of the lessons learned at the national levels in addressing inequality and social exclusion could refine policy approaches in this field, broaden the options, and improve the effectiveness of public spending.

It is imperative to address the issue of inequality, including its structural drivers and multiple dimensions that can produce systematic disadvantages for some social groups, particularly the most vulnerable. High inequality has been detrimental for macroeconomic stability and sustainable growth. Reducing inequality within and among countries figures prominently in the 2030 Agenda for Sustainable Development. Without addressing the issue of inequality, it is hardly possible to achieve social inclusion because these two issues are closely linked.

To get appropriate and effective responses we need to go to the root of the problem, identifying multiple disadvantages that create inequalities, including inadequate education, poor work opportunities, social discrimination and lack of effective social protection increase income inequality. Other factors, including globalization-induced vulnerabilities disproportionally affect marginalized social groups and decreasing their resilience and capacity to withstand the effects of adversity such as economic or environmental shocks. Families and households most at risk live in the situations where short term-survival becomes a paramount goal. Lack of assets or entitlements make such people chronically poor, depriving them of opportunities to cope with stresses and adverse effects. Given that inequalities are multidimensional, the policies to address them should be multidimensional, forward-looking, well- thought- out. Such policies ought to be attuned to local circumstances and well-funded. Otherwise, the goal of 'leaving no one behind' may stay an empty promise.

The existing cross-country evidence confirms that when the benefits of economic growth are widely shared in society poverty reduction efforts are much more successful. Integrating macroeconomic and social policies, with due care to the distributional policy aspects, is a pre-requisite for inclusive growth and reduction of inequality. The existing obstacles are usually country-specific and can include a variety of factors, such as disparities in productivity growth linked to the regional inequality; unequal spatial and social access to services (e.g. lack of access to financial services); labour market "duality" related to inequality of formal and informal or regular and non-regular workers or different communities; and poorly designed fiscal redistribution. (International Monetary Fund. How to operationalize

inequality issues in country work. Washington D.C., June 2018, pp. 8–12). Beyond its impact on social cohesion, growing inequality negatively correlates with economic growth and harms opportunities. (https://www.oecd.org/els/soc/OECD2015-In-It-Together-Chapter1-Overview-Inequality.pdf).

In this context the patterns and sources of economic growth coupled with coherent distributional policies strongly impact poverty reduction efforts and improve the changes of balancing economic, social and environmental dimensions of development.

Gender inequality remains an unfortunate part of the existing social landscape of many countries. Women frequently encounter various barriers in accessing income, assets and services, and are disproportionally represented among the poor and disfranchised segments in society. Older women are particularly vulnerable bearing the brunt of double discrimination — as women and as older persons, and frequently lacking both income and equal access to public services. Without determined efforts at the national level to eliminate gender discrimination the quest for equality and empowerment of women cannot be successful. States must carry on targeted national efforts for gender equality, and ensure mainstreaming of a gender perspective in policies, programmes and budgets.

ICSW strongly believes that economic growth has to be fair to all members in society, particularly poorest segments, and must also create employment opportunities. The above-mentioned need to integrate macroeconomic and social policies could improve employment impact analysis aimed at creating or widening employment opportunities to ensure income-generating activities and eventual poverty reduction. Investment in human capital, promotion of universal education and health care, and ensuring social protection for all could create a win-win situation where such national spending is treated as investment which could accrue long-term social and economic benefits.

ICSW has a long history of advocacy and policy action on social protection. ICSW approaches social protection as a human right and an investment in people, seeing it as one of the proven ways for ending poverty, insecurity and exclusion. The need to provide social protection to all members in society, fostering social justice, social cohesion and resilience, is widely recognized internationally as an effective strategy for inclusive development. However, much more needs to be done in this regard at the national level through policy practice and advocacy.

According to the most recent World Social Protection Report, 2017–2019 published by ILO, only 45 per cent of the global population are effectively covered by at least one social protection benefit, while the remaining 55 per cent — comprising at least 4 billion people — are left unprotected. Coverage gaps are associated with a significant underinvestment in social protection, particularly in Africa, Asia and the Arab States, leaving people vulnerable to poverty, inequality and social exclusion across the life cycle.

In this light ICSW reiterates its support for ILO Social Protection Floors Recommendation, 2012 (No. 202). This important normative document provides practical guidance for setting such floors and building comprehensive social security systems for all. Our organization strongly believes that addressing the issues of inequality and poverty reduction in a comprehensive manner requires linking human rights with social protection of individuals and communities. Social protection is a very important, truly vital element of progressive social policy attuned to the needs of people today and projected to the future. Universal social protection is an important enabling factor conducive to protecting human rights, developing human potential and reducing income inequalities. Countries have a responsibility to guarantee at least a basic level of social security — a social protection floor.

Together with our partners from the Global Coalition for Social Protection Floors ICSW affirms that a new high-level political initiative at the international level aimed at upholding social protection as a stand-alone issue would be highly desirable, particularly in the context of the intergovernmental policy dialogue and negotiations conducted at the United Nations in the wake of the 2030 Agenda for Sustainable Development. Such an outcome of the multilateral negotiations would make it possible to capitalize on the growing recognition of the significant role that social protection systems, including floors play in societies. In that vein, a proposal is hereby put forward by the ICSW to the UN Member States working within the remit of the 57th session of the Commission for Social Development, namely, to consider elaborating a draft ECOSOC resolution on social protection systems, including floors, as a necessary political step towards universal and comprehensive social protection for all. We urge the delegates to take into account the existing nexus between social protection and sustainable economic growth, noting that once social protection floors are established and become operational at the national level, the achievement of several core targets of the SDGs, starting with the reduction of poverty comes within reach.

We propose that the following elements, comprising basic social security guarantees and constituting a nationally defined set of essential goods and services, be included in such a resolution: a) essential health care, including maternity care, that meets the criteria of availability, accessibility, acceptability and quality; b) basic income security for children, assuring access to nutrition, education and care; c) basic income security for persons of active age, with particular attention to sickness, unemployment, maternity and disability; and d) basic income security for older persons.

The adoption of a dedicated UN ECOSOC resolution on social protection systems would be most important in focusing attention to some key issues pertinent to universal social protection, including floors, and its multiple benefits for society, thus reinforcing a political impact of ILO Recommendation No. 202. Such a dedicated resolution would become a testimony to the high-level political commitment to advance social protection at all levels. Such a resolution would fit well with the Follow-Up to the World Summit for Social Development and the twenty-fourth special session of the General Assembly and would be essential in embedding the social protection issues on the agenda of the Commission for Social Development, thereby facilitating national implementation and system-wide consistent monitoring of the agreed conclusions.

Many policy proposals in this area, including intellectual initiatives put forward by economists, philosophers, social scientists and other thinkers of quite different political persuasions are looking for innovative solutions in the provision of social welfare. One of the most daring and far-reaching proposals in this regard that drawn attention from governments, scholars, practitioners and media is the Universal Basic Income (UBI) proposal aimed at challenging many existing assumptions in social protection provision. Summarizing the essence of the UBI approach the Special Rapporteur on extreme poverty and human rights in his report to the Human Rights Council noted the following: "Rather than payments being partial, they guarantee a floor; instead of being episodic, payments are regular; rather than being needs-based, they are paid as a flat rate to all; they come in cash, rather than as messy in-kind support; they accrue to every individual, rather than only to needy households; rather than requiring that various conditions be met, they are unconditional; rather than excluding the well off, they are universal; and instead of being based on lifetime contributions, they are funded primarily from taxation" (General Assembly. Human Rights Council, Thirty-fifth session 6–23 June 2017. Report of the Special Rapporteur on extreme poverty and human rights, A/HRC/3526 dated 22 March 2017).

While far from trivial and quite controversial, the Universal Basic Income initiative should not be simply brushed aside as prohibitively expensive and utopian. The experiences of countries that have introduced some pilot schemes and programmes based on the universal basic income concept need to be studied carefully. The changing nature of work, digitalization and growing automation facilitate new forms of employment, including temporary and non-standard employment with lower earnings for workers, bringing new challenges that require adequate responses. ICSW agrees with the conclusion of the Special Rapporteur that "the debates over social protection floors and basic income need to be brought together as they have vastly more potential if their synergies are recognized, rather than being ignored". The pros and cons regarding universal basic income need to be further explored and discussed, and the Commission for Social Development provides an appropriate venue in this regard. ICSW supports an approach which would consider synergizing the ideas of universal social protection floor and universal basic income in an optimal combination that suits the economic and social contexts specific to the member states.